

MEMORANDUM

DATE: June 14, 2021

TO: Board of Trustees

FROM: Michelle McConkie - Assistant Director; Ben Stireman – Resource Specialist

SUBJECT: Approval of Negotiated Sale of 480 Acres in Weber County (Bennett Creek)

FUND: Utah State University

BACKGROUND INFORMATION

The Bennett Creek Parcel is located several miles outside of Huntsville City in Weber County. The legal description of the parcel is as follows:

Township 6 North, Range 2 East

Section 26: NE¼, SE¼, SW¼

Containing 480 acres, more or less

The Bennett Creek Parcel was previously considered for sale in 2016. At that time, the property was appraised, and a cultural resource survey was conducted. The Trust and the sale proponent were unable to come to an agreement at that time, and the sale was subsequently cancelled.

A different proponent contacted the Trust about purchasing these lands several months ago. The current proponent owns property adjacent to the Bennett Creek Parcel. A new appraisal was conducted by Matthew Limpert at LC Appraisal to determine the appraised value of the lands.

There are no leases or easements on the property. The grazing permit belongs to an adjacent landowner. The proposed sale would include water right 35-4511, which is a small amount of stock water.

NOTICE/ADVERTISING AND OFFER TO PURCHASE

Pursuant to R850-80-620(1) and R850-80-615, the Trust advertised the sale for competing interest. The advertising period ended on May 16, 2021.

Several parties expressed interest in purchasing the Bennett Creek parcel as a result of the advertising. Offers to purchase the property were solicited with all offers due by 5:00 PM on June 9, 2021.

An offer of \$3,010,000 was received and accepted, contingent upon the Board's approval of the transaction. This offer represents a significant premium above the appraised value.

PROPOSAL

SITLA surface staff proposes the agency sell the 480-acre parcel to the successful bidder for a sum of \$3,010,000. The parcel will be paid for in cash.

ANALYSIS

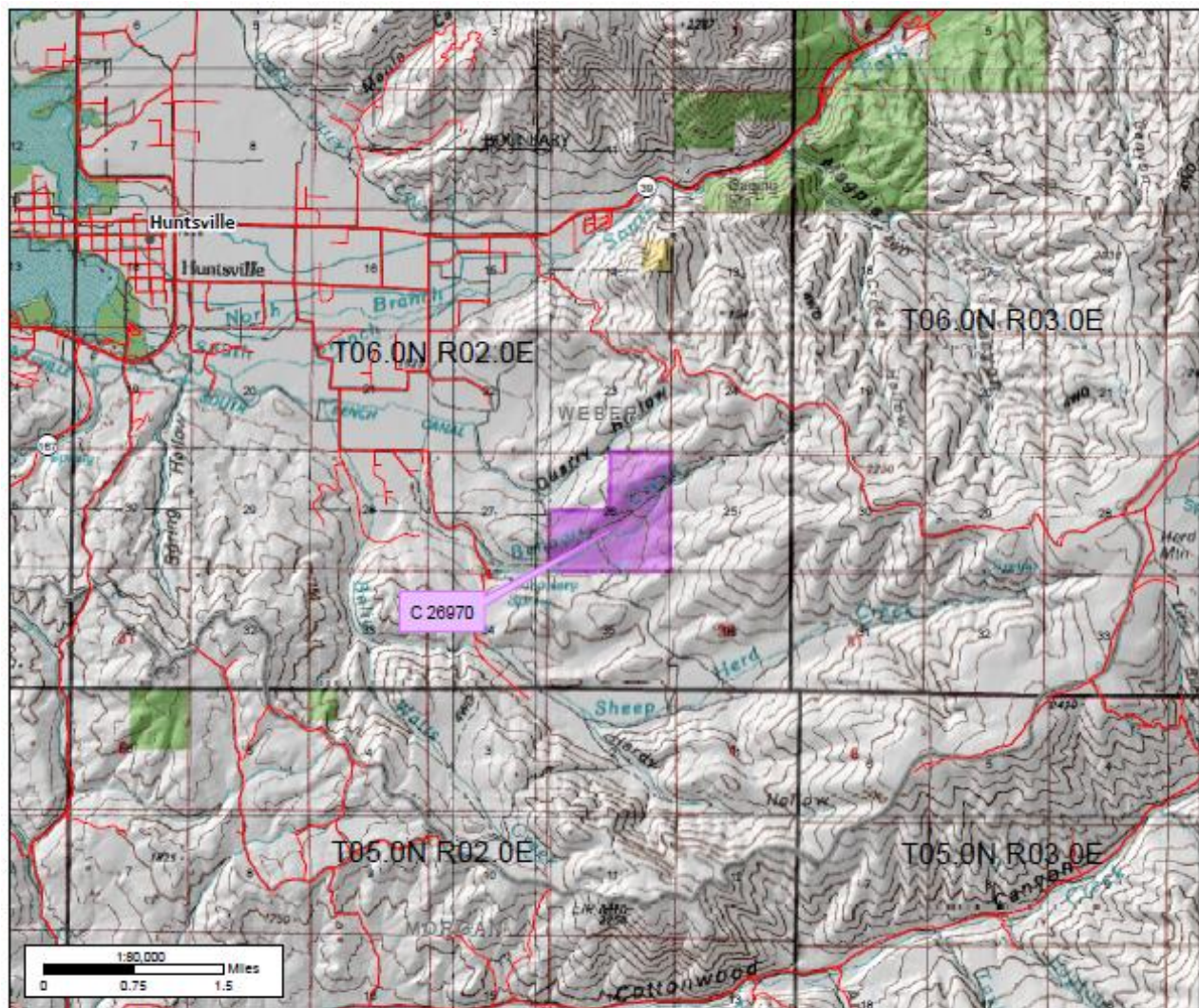
There is no legal access to the proposed sale parcel, which dramatically limits the pool of prospective buyers. Land in the area has been appreciating at a rate of about 3.00% per year. Though these parcels are near a highly desirable area for recreation and farming, the access issues to the property make development, or even future leasing opportunities, very unlikely.

SITLA staff analyzed the net present value if the subject parcel was: (1) held and sold later at an appreciated value; (2) leased for a number of years; or (3) leased, and then sold at a later date at an appreciated value. The financial analysis supports selling the subject parcel under the proposed terms.

SITLA staff and management believe it is in the best interest of the beneficiaries to sell the parcel as outlined in this letter.

RECOMMENDATION

The agency recommends the Board approve this transaction under the proposed terms.



Certificate of Sale No. 26970
Private Sale
 Township 6 North, Range 2 East, 6L&M;
 Section 26, NE4, SE4, SW4;
 Weber County

April 07, 2021 SITLA

Land Ownership and Administration

- Bureau of Land Management
- Bureau of Reclamation
- Barkhead-Jones Land Use Lands
- National Recreation Area
- National Parks & Historic Sites
- National Monument
- National Forest
- National Wilderness Area
- National Wildlife Refuge
- Other Federal
- Military Reservations and Corps of Engineers
- Private
- State Trust Lands
- State Sovereign Land
- State Parks and Recreation
- State Wildlife Reserve/Management Area
- Other State
- Tribal Lands

Legend

- Certificate of Sale

Coordinate System NAD 1983 UTM Zone 12N
 Projection: Transverse Mercator
 Units: US Survey Feet
 Datum: NAD 1983

Data Disclaimer: Data represented on this map is for INFORMATION ONLY and is not suitable for legal, engineering, or surveying purposes. Users of this information should verify or consult the primary data and information sources to establish the validity of the information. SITLA provides this data in good faith and shall be in no way be liable for any inaccuracies, or any special, indirect or consequential damages to any party, arising out of or in connection with the use of the facility to use the data herein.

Land parcels, base boundaries and associated SITLA data layers may have been adjusted to allow for visual "best fit". The Surface Ownership Land Status data (if present) are maintained by SITLA to reflect current land status and surface ownership. Lines, rivers, streams, highways, roads, county and state boundaries are distributed by the Utah Automated Geographic Reference Center and/or other sources as specified. Contour lines (if present) were generated from USGS 1:250,000 scale DEM.

Please Note: While SITLA seeks to verify data for accuracy and content, discrepancies may exist within the data. Applying the most updated SITLA ownership GIS data may require contacting the GIS staff directly 801-538-5100 or TLA-@utah.gov. The SITLA GIS department welcomes your comments and concerns regarding the data and will attempt to resolve issues as they are brought to our attention.